

COUNTY COUNCIL  
OF  
HARFORD COUNTY, MARYLAND

BILL NO. 07-16 As Amended

Introduced by Council President Boniface at the request of the County Executive

Legislative Session Day No. 07-17

Date: May 29, 2007

A BILL to authorize and empower Harford County, Maryland to borrow, on its full faith and credit, and issue and sell its bonds or other form of indebtedness therefore (including lease financing), in an amount not to exceed ~~One Hundred Forty-Four Million Sixty Thousand Dollars (\$144,060,000)~~ One Hundred Three Million Seven Hundred Fifteen Thousand Dollars (\$103,715,000) principal amount, the proceeds thereof to be used for the expansion, reconstruction, rehabilitation, renovation and improvement of certain projects as described in the Annual Budget and Appropriation Ordinance, as amended, Bill No. 07-13, for the year ending June 30, 2008 and as described in this Bill (collectively the "Projects") in accordance with Section 524 of the Charter of Harford County ("Charter") and Section 123-40 of the Code of Harford County ("Code") or as otherwise permitted by law authorizing the County

By the Council, May 29, 2007

Introduced, read first time, ordered posted and public hearing scheduled

on: July 10, 2007

at: 7:00 p.m.

By Order: Barbara J. O'Connor Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on July 10, 2007, and concluded on July 10, 2007

Barbara J. O'Connor, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

COUNTY COUNCIL  
OF  
HARFORD COUNTY, MARYLAND

BILL NO. 07-16 As Amended

Introduced by Council President Boniface at the request of the County Executive

Legislative Session Day No. 07-17

Date: May 29, 2007

Council of Harford County, Maryland to adopt an administrative resolution that shall provide for the form of instrument by which any indebtedness or financing obligation is to be evidenced, the manner by which any indebtedness, line of credit, financing lease or similar obligation may be secured and the rate(s) of interest to be paid, and generally for such other matters as may be deemed appropriate by the County Council of Harford County, Maryland in connection therewith and authorizing the County Executive of Harford County, Maryland by Executive Order, to determine the form of various documents as are necessary to implement the financing authorized herein, the manner of issuance and delivery of any evidences of indebtedness, the payment of all necessary expenses in connection therewith, the method by which such evidences of indebtedness shall be sold, maturity schedule,

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on: July 10, 2007

at: \_\_\_\_\_

By Order: \_\_\_\_\_, Council Administrator

**PUBLIC HEARING**

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on \_\_\_\_\_, and concluded on \_\_\_\_\_.

\_\_\_\_\_, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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and redemption provisions; authorizing the appointment of certain agents; and otherwise generally relating to the issuance, sale, delivery and payment of any such evidences of indebtedness or financing obligations; providing that such indebtedness shall be issued upon the full faith and credit of Harford County, Maryland; providing for the issuance of bond anticipation notes (or other form of indebtedness) upon passage of a resolution by the County Council of Harford County, Maryland approving the interest rate or rates on said bond anticipation notes for all or a portion of the Projects described herein, for which the proceeds of sale of the bond anticipation notes shall be used; providing that after the issuance of the bond anticipation notes (or other form of indebtedness), or any renewal thereof, the County Council of

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on: July 10, 2007

at: \_\_\_\_\_

By Order: \_\_\_\_\_, Council Administrator

**PUBLIC HEARING**

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on \_\_\_\_\_, and concluded on \_\_\_\_\_.

\_\_\_\_\_, Council Administrator

**EXPLANATION:**

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

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BILL NO. 07-16 As Amended

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Legislative Session Day No. 07-17

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Harford County, Maryland shall authorize the issuance of bonds to pay said bond anticipation notes (or other form of indebtedness); providing for disbursement of the proceeds of the sale of such bonds and for the levying of charges, assessments and all taxes necessary to provide payment of the principal and interest on such bonds; providing that certain additional matters may be determined by resolution of the County Council of Harford County, Maryland or may be reserved unto the County Executive as prescribed by such resolution; providing the method of fixing the interest rates to be borne by such bonds and generally providing for and determining various matters in connection therewith; and generally relating to funding of certain capital projects.

By the Council,

Introduced, read first time, ordered posted and public hearing scheduled

on: July 10, 2007

at: \_\_\_\_\_

By Order: \_\_\_\_\_, Council Administrator

**PUBLIC HEARING**

Having been posted and notice of time and place of hearing and title of Bill having been published according to the Charter, a public hearing was held on \_\_\_\_\_, and concluded on \_\_\_\_\_.

\_\_\_\_\_, Council Administrator

**EXPLANATION:**

CAPITALS INDICATE MATTER ADDED TO EXISTING LAW. [BRACKETS] indicate matter deleted from existing law. Underlining indicates language added to Bill by amendment. Language lined through indicates matter stricken out of Bill by amendment.

1 WHEREAS, in accordance with the provisions of Section 406 of the Charter of Harford  
2 County, the Director of Planning has heretofore transmitted to the County Executive the  
3 recommendations of the Planning and Advisory Board for certain Capital Improvements; and

4 WHEREAS, in accordance with the provisions of Section 505 of the Charter of Harford  
5 County, the County Executive has reviewed such recommendations in light of the existing capital  
6 programs and the County Executive and the Director of Administration have included such  
7 recommendations for capital improvements, as amended, in the proposed Capital Program which  
8 has been submitted to the County Council of Harford County, Maryland and the County Council  
9 of Harford County, Maryland has adopted the Capital Program and Capital Budget for the year  
10 ending June 30, 2008, pursuant to Bill No. 07-13, As Amended; and

11 WHEREAS, upon request of the County Executive and Resolution of the County Council  
12 of Harford County, Maryland, Harford County may sell bond anticipation notes in an amount not  
13 greater than the amount of bonds authorized herein, in anticipation of the subsequent sale of the  
14 bonds, for all or a portion of the cost of the projects described herein in accordance with the  
15 provisions of Article 31, Section 12 of the Annotated Code of Maryland (2003 Replacement  
16 Volume; 2006 Supplement); and

17 WHEREAS, as a part of the said Capital Program and the said Capital Budget, it is  
18 necessary that Harford County, Maryland, borrow a sum not exceeding ~~One Hundred Forty Four~~  
19 ~~Million Sixty Thousand Dollars (\$144,060,000)~~ One Hundred Three Million Seven Hundred  
20 Fifteen Thousand Dollars (\$103,715,000) to be used to finance the cost of the acquisition,  
21 construction, reconstruction, improvement, extension, site acquisition, architectural and  
22 engineering services, and furnishings and equipment for the Projects, including financial, legal  
23 and planning expenses related thereto; and

WHEREAS, the County Council of Harford County, Maryland has authority to incur debts on behalf of Harford County, Maryland; and

WHEREAS, the County Council of Harford County, Maryland is hereby authorized to enact a Bill adopted in accordance with Section 524 of the Charter of Harford County and other applicable provisions of law providing for the issuance and sale and for the designation, form, tenor, denomination, maturities, and the interest rates payable on any bonds or other form of indebtedness issued under this Bill; and to levy annually *ad valorem* taxes upon the assessable property within the County sufficient, together with other taxes and other available funds, to provide for the payment of the interest on and principal of any bonds so issued; and

WHEREAS, the proposed bond issue or other form of indebtedness is within the legal limitation on the indebtedness of Harford County, Maryland; and

WHEREAS, it is necessary to provide funds for the construction, reconstruction, improvement, extension, acquisition, alteration, repair and modernization, the cost of acquiring any sites, making site improvements, architectural and engineering services, including preparation of plans, drawings and specifications, the development of the grounds and landscaping thereof, financial, legal and planning expenses and all customary appurtenances and equipment for the Projects; and

WHEREAS, after written recommendation of the County Executive, public hearing and affirmative vote of at least four (4) members of the County Council of Harford County, Maryland, the capital budgets authorizing the Projects have been amended and adopted; and

WHEREAS, the financing or indebtedness herein authorized, including the aggregate principal amount of bonds or other indebtedness in an amount not to exceed ~~One Hundred Forty Four Million Sixty Thousand Dollars (\$144,060,000)~~ One Hundred Three Million Seven Hundred Fifteen Thousand Dollars (\$103,715,000), and interest rate(s), shall be evidenced and incurred

pursuant to a resolution or resolutions ("Resolution") to be adopted by the County Council of Harford County, Maryland upon written recommendation of the County Executive, pursuant to this Bill and other terms of sale, including, but not limited to maturity schedule, redemption provisions, form of bond, and date of sale shall be determined by the County Executive of Harford County, Maryland by Executive Order.

NOW, THEREFORE, IN ACCORDANCE WITH THE PROVISIONS OF THE CHARTER, THE CODE AND THE LAWS OF THE STATE OF MARYLAND:

SECTION 1. Be it enacted by the County Council of Harford County, Maryland that, acting pursuant to the authority of the Charter, the Code and the laws of the State of Maryland, Harford County, Maryland (the "County") hereby authorizes and approves the incurring of debt or the payment of purchase price or rental installments for the purpose of financing a portion of the capital cost of capital equipment, improvements, extensions, modifications, alterations, or any combination thereof to the property of the County, together with the acquisition of all necessary property rights and equipment, and all related architectural, financial, legal, planning, design and engineering expenses associated with such capital equipment, improvements, extensions, modifications or alterations including:

<u>Project</u>	<u>Amount to be Borrowed</u>
Aberdeen High School Addition	\$ 2,235,700 \$4,950,700
Air Conditioning Projects — Board of Education	5,837,500
Athletic Field Improvements — Parks and Recreation	1,250,000
Bel Air High School Replacement	18,084,200 35,508,200
Churchville Complex Development — Parks and Recreation	175,000
Churchville Library Branch	172,000
Deerfield ES Modernization/Addition	2,275,300
Edgewood High School Replacement	3,276,250
Detention Center Expansion	5,675,000
Enlarged Gymnasiums & Activity Centers — Parks and Recreation	600,000
Expansion/Renovations of Emergency Ops. Center	300,000
Harford County Southern Resource annex	749,200
Harford Waste Disposal Center Expansion	1,500,000

**BILL NO. 07-16****As Amended**

1	Havre de Grace Field Development – Parks and Recreation	600,000
2	Heavenly Waters Park	750,000
3	Jarrettsville Library	230,000
4	John Archer School	995,000
5	Joppatowne ES Modernization/Addition	7,032,600 8,561,725
6	Harford Tech High School Field Improvements	3,000,000
7	Joppatowne High School Gymnasium	3,110,000
8	Magnolia Complex Development	1,000,000
9	Multipurpose Storage Building	1,740,400
10	New Administration Building	15,845,000 13,345,000
11	New Elementary Capacity	4,716,900
12	Roofing Replacement	1,323,425
13	Site Acquisition and Development	5,000,000
14	Site and Parking Lot Improvements – HCC	455,000
15	Susquehanna Center Renovations/Expansion – HCC	755,600
16	Waste to Energy Plant: Air Pollution Control Retrofit and Expansion	60,000,000 1,000,000
17	Whiteford Library Expansion	1,350,000
18	Youth's Benefit Elementary School	1,625,600
19		
20	<b>General County Total:</b>	<b>\$144,060,000 103,715,000</b>

21

22

23 The principal amount of indebtedness to be incurred hereunder shall not exceed ~~One~~

24 ~~Hundred Forty Four Million Sixty Thousand Dollars (\$144,060,000)~~ One Hundred Three Million

25 Seven Hundred Fifteen Thousand Dollars (\$103,715,000).

26 SECTION 2. And be it further enacted by the County Council of Harford County,

27 Maryland that prior to the issuance, sale and delivery of any bonds, bond anticipation notes,

28 notes, evidences of indebtedness, line of credit, lease/leaseback financing, financing lease or

29 installment purchase obligation (or other form of indebtedness) in reliance on this Bill, the

30 County Council of Harford County, Maryland shall (without limitation) determine

31 administratively in the Resolution:

32 (a) the form of instruments or agreements by which the debt or financing

33 authorized herein shall be evidenced (including, but not limited to, bonds, bond anticipation

34 notes, notes (or other form of indebtedness), book entry, community participation bonds, letters

35 of credit, trust agreements, trust indentures, lease/leaseback financing, financing or installment



1 purchase lease or similar financing agreement, or participation in any "bond bank" or bond  
2 pooling arrangement administered by the State of Maryland or a subsidiary entity of it);

3 (b) the manner, if any, by which any indebtedness or financing shall be  
4 secured (to the extent annual debt service exceeds proceeds from recordation tax to be used  
5 pursuant to Section 12-113(a) of the Tax-Property Article of the Annotated Code of Maryland  
6 (2001 Replacement Volume, 2006 Supplement) to pay school bonds issued on the faith and  
7 credit of the County after January 1, 1959 and for other school purposes, or transfer tax proceeds  
8 to be used for school construction and site acquisition pursuant to Bill No. 93-3 enacted by the  
9 County Council of Harford County, Maryland (the "County Council") on April 6, 1993 (and  
10 signed by the County Executive on April 20, 1993), as amended, including, but not limited to, a  
11 letter or letters of credit, bond or other such insurance and a pledge of the full faith and credit and  
12 unlimited taxing power of the County):

13 (c) the rate or rates of interest or method of determining such rate or rates; and

14 (d) whether the financing is to be accomplished by public sale, private  
15 (negotiated) sale or by private placement.

16 (e) In the event the County determines to incur part or all of the financing  
17 pursuant to a lease, lease/leaseback financing, or lease purchase arrangement, the County Council  
18 of Harford County, Maryland shall determine administratively by Resolution, the equipment or  
19 other property or assets to be subject to the lease and the lessor or lessors shall be determined and  
20 approved by the County Council of Harford County, Maryland by Resolution. The County  
21 Council of Harford County, Maryland shall also determine administratively by Resolution  
22 whether or not the lease payments under the lease shall be guaranteed by the full faith and credit  
23 unlimited taxing power of the County or whether the lease payments are subject to annual  
24 appropriation by the County Council of Harford County, Maryland each year.

1           (f)     Subject to the approval of the County Council, the Board of Education of  
2 Harford County, Maryland may consider and approve alternative financing methods pursuant to  
3 Section 4-126 of the Education Article in the Annotated Code of Maryland (2006 replacement  
4 volume) with respect to the acquisition, design, construction, improvements, renovations,  
5 expansions, equipping and financing of any of the public schools authorized for financing in  
6 Section 1 of this Bill; provided, however, the use of such alternative financing methods shall not  
7 be construed to prohibit the allocation of funds by the State of Maryland for public school  
8 construction to a project under the Public School Construction Program.

9           (b)     Subject to the approval of the Northeast Maryland Waste Disposal  
10 Authority (the "Authority") the County pursuant to Bill and/or Resolution of the County Council  
11 may finance the project entitled "Waste to Energy Plant: Air Pollution Control, Retrofit and  
12 Expansion" by amending its original Waste Supply Contract as heretofore previously amended  
13 with the Authority, pursuant to which the Authority will sell the Authority's Bonds to finance the  
14 cost of the acquisition of the "Waste to Energy Plant: Air Pollution Control, Retrofit and  
15 Expansion"; after public hearing held by the County Council regarding the Authority's intention  
16 to implement the "Waste to Energy Plant: Air Pollution Control, Retrofit and Expansion" and  
17 adoption of a Resolution by the County Council finding that said project is not contrary to the  
18 best interests of the residents of the County and is not contrary to the health, safety and welfare of  
19 the citizens of the County; and such financing with the Authority pursuant to an amended Waste  
20 Supply Contract shall be an alternative to the financing of such project as provided in this Bill.

21           The Resolution shall be deemed to be of an administrative nature and shall be effective  
22 upon the date specified in the Resolution.

1           SECTION 3. And be it further enacted by the County Council of Harford County,  
2 Maryland that the County Executive of Harford County, Maryland shall determine the following  
3 matters by Executive Order:

4           (a)     the principal amounts, date, denominations, maturity payment provisions  
5 and prepayment, tender and/or redemption provisions (if any) and other terms and conditions  
6 thereof;

7           (b)     the substantially final form and contents and consent to the distribution  
8 (and shall authorize the execution and delivery, where applicable) of various agreements and  
9 documents as are necessary to implement the financing authorized herein, including, but not  
10 limited to, a Preliminary Official Statement and/or an Official Statement, and in the event any  
11 evidence of indebtedness is sold through competitive bidding, a Notice of Sale, and in the event  
12 any evidence of indebtedness is sold by private (negotiated) sale, a Purchase Contract with the  
13 Underwriter(s) thereof, and if any indebtedness is issued in book entry form, securities depository  
14 agreements, (collectively the "Documents"), required for the issuance, sale and delivery of any  
15 evidence of indebtedness or the completion of the financing authorized herein, which Documents  
16 shall contain such provisions as may be required by law or to consummate the financing  
17 authorized herein;

18           (c)     the manner in which any evidence of indebtedness, lease financing or  
19 installment purchase obligation shall be executed, sealed and attested (which may be by facsimile  
20 signature and/or seal);

21           (d)     provision for the payment of all necessary expenses of preparing, printing  
22 and selling any evidence of indebtedness and the Documents including, without limitation, any  
23 and all costs, fees and expenses incurred by or on behalf of the County in connection with the  
24 authorization, issuance, sale and delivery of any bonds or notes, and all costs incurred in

1 connection with the development of the Documents, including the fees of counsel to the County,  
2 and compensation to any persons (other than full-time employees of the County) or entities  
3 performing services for or on behalf of the County in connection therewith and in connection  
4 with all other transactions contemplated by this Bill regardless of whether the proposed financing  
5 is consummated;

6 (e) the name or designation of the indebtedness, provided that unless  
7 otherwise designated, the indebtedness shall be known as Harford County General Obligation  
8 Bonds of 2008;

9 (f) such other matters in connection with the consummation of the financing  
10 transactions contemplated by this Bill as may be deemed appropriate by the County Executive of  
11 Harford County, Maryland, including (without limitation) the appointment of agents (including,  
12 but not limited to, trustees, paying agents, indexing agents and/or registrars) in connection with  
13 the financing, the execution, acknowledgment, sealing and delivery of such other and further  
14 agreements, documents and instruments, and the authorization of the officials of the County to  
15 take any and all actions, as are or may be necessary or appropriate to consummate the  
16 transactions contemplated by this Bill in accordance with the terms hereof and of the Resolution.

17 The Executive Order shall be effective upon the date specified in the Executive Order.

18 SECTION 4. And be it further enacted by the County Council of Harford County,  
19 Maryland that authority is hereby conferred respectively on the County Executive of the County,  
20 the Director of Administration, the Treasurer, the County Attorney and the Council  
21 Administrator of the County Council of Harford County, Maryland, or any of them, and they are  
22 hereby directed to take the following actions on behalf of the County:

(a) to execute, acknowledge, seal and deliver the Documents substantially in the forms determined administratively by the County Council of Harford County, Maryland in the Resolution; and

(b) to execute, acknowledge, seal and deliver such other and further certificates, certifications, agreements, documents and instruments and take such other acts as they or any one or more of them may deem necessary or appropriate to consummate the transactions contemplated by this Bill in accordance with the provisions hereof and of the Resolution.

SECTION 5. And be it further enacted by the County Council of Harford County, Maryland that the Treasurer, or his authorized deputy, is hereby authorized and empowered to prepare and distribute copies of the Documents to any person who may, in his judgment, be interested in participating in the financing of the Projects or who may request the same or information with respect thereto; provided, however, that any preliminary official statement and related material shall be clearly marked to indicate that they are subject to completion and amendment.

SECTION 6. And be it further enacted by the County Council of Harford County, Maryland that, to the extent the recordation tax and/or transfer tax described in Section 2 of this Bill is insufficient to pay the principal of and interest on the indebtedness herein authorized, the County hereby covenants and agrees, with each of the holders, from time to time, of any of the bonds or other indebtedness, that it shall promptly cause to be levied against all assessable property within the County annually, so long as any of the bonds or other indebtedness are outstanding and not paid, an *ad valorem* tax sufficient in rate and amount to provide for payment of such principal of, premium (if any) and interest on the bonds or other indebtedness when due. Such tax shall be levied in accordance with the Charter. The County, by the passage of this Bill,

1 hereby covenants and agrees properly and promptly to perform all of the respective acts and  
2 duties defined in the Charter for the levy and collection of the aforesaid *ad valorem* tax upon all  
3 the assessable property within the corporate limits of the County, as the levy and collection of  
4 such a tax becomes necessary in order to provide for the payment of principal of, premium (if  
5 any) and interest on the bonds or other indebtedness.

6 SECTION 7. And be it further enacted by the County Council of Harford County,  
7 Maryland that if the County Council of Harford County, Maryland determines in the Resolution  
8 that it is in the best interests of the County to sell any evidence of indebtedness or lease financing  
9 or installment purchase obligation by private (negotiated) sale, the County Council of Harford  
10 County, Maryland hereby authorizes (a) the appointment of an underwriter (the "Underwriter") in  
11 connection with the sale thereof, and (b) the payment by the County to the Underwriter out of the  
12 proceeds of the sale thereof or otherwise for services rendered in connection therewith, such  
13 compensation to be determined in the Resolution.

14 SECTION 8. And be it further enacted by the County Council of Harford County,  
15 Maryland that the County Executive is hereby authorized and empowered for and on behalf of  
16 the County (a) to cause the preparation, printing, execution and delivery of the Documents, each  
17 substantially in the form provided in the Resolution or in the Executive Order of the County  
18 Executive, with such modifications, supplements or amendments thereto as may be  
19 recommended by counsel; and (b) to do all such things as may be necessary or desirable in the  
20 opinion of the County Executive in connection therewith.

21 SECTION 9. And be it further enacted by the County Council of Harford County,  
22 Maryland that nothing herein contained shall authorize the expenditure of County funds until  
23 such time as such expenditure shall have been appropriated by the County Council of Harford

County, Maryland, and this Bill shall not be construed as authorizing or approving any project not otherwise authorized or approved by all appropriate legal authorization.

SECTION 10. And be it further enacted by the County Council of Harford County, Maryland that unless changed by the Resolution or the Executive Order, if the indebtedness herein authorized is represented by bonds: (a) the bonds shall be issued pursuant to the authority of this Bill and shall be dated October 1, 2007; (b) the bonds shall be issued in the denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof, and shall be numbered from one (1) consecutively upward in the order of their maturities. The bonds shall mature over a period not to exceed twenty (20) years from their date in twenty (20) annual serial installments beginning in the year 2008 and ending in the year 2027. The bonds shall mature on October 1 in each of said years as follows: ~~Four Million Two Hundred Thousand Dollars (\$4,200,000) in the years 2008 and 2009, respectively, Nine Million Two Hundred Thousand Dollars (\$9,200,000) in each of the years 2010 through 2019, inclusive; and Five Million Ninety Thousand Dollars (\$5,090,000) in 2020; and Five Million Five Hundred Ten Thousand Dollars (\$5,510,000) in each of the years 2021 through 2027, inclusive~~ Five Million Dollars (\$5,000,000) in each of the years 2008 through 2026, inclusive and Eight Million Seven Hundred Fifteen Thousand Dollars (\$8,715,000) in 2027. The term and maturity schedule of the bonds or other indebtedness may be changed, increased or decreased upon Executive Order of the County Executive, but the aggregate principal amount of indebtedness to be incurred shall not exceed ~~One Hundred Forty Four Million Sixty Thousand Dollars (\$144,060,000)~~ One Hundred Three Million Seven Hundred Fifteen Thousand Dollars (\$103,715,000).

SECTION 11. Be it further enacted by the County Council of Harford County, Maryland that if the indebtedness herein authorized is represented by bonds, the bonds shall bear interest at the rate or rates named by the successful bidder for the bonds in accordance with the Notice of

1 Sale hereinafter set forth, as may hereafter be amended, upon written recommendation of the  
2 County Executive of Harford County, Maryland (the "County Executive"), by administrative  
3 resolution of the County Council of Harford County, Maryland, and said interest shall be payable  
4 semiannually on the first days of April and October (or on such other dates as may be approved  
5 in the Resolution) in each of the years that the bonds are outstanding. Interest on the bonds will  
6 be payable by check or draft of the Paying Agent mailed to the registered owners thereof. The  
7 bonds, when issued, shall be executed in the name of the County, by the facsimile signature of  
8 the County Executive, and a facsimile of the corporate seal of the County shall be imprinted on  
9 each of the bonds attested by the facsimile signature of the Director of Administration of the  
10 County and the manual signature of an authorized officer of the Bond Registrar. The facsimiles  
11 of said signature and said seal shall be engraved, printed or lithographed on each of the bonds in  
12 accordance with, and pursuant to the authority of Sections 2-301 through 2-306 inclusive of the  
13 State Finance and Procurement Article of the Annotated Code of Maryland (2002 Replacement  
14 Volume, 2006 Supplement). If the indebtedness is represented by bonds, the bonds shall be  
15 subject to registration as to principal and interest, in the name or names of the owner or owners  
16 thereof on books kept for that purpose at the principal office of the Bond Registrar and the  
17 principal of the bonds shall be payable upon presentation and surrender thereof at the principal  
18 office of the Paying Agent or the ownership of the indebtedness may, pursuant to Executive  
19 Order of the County Executive, be maintained by a book entry system. The Bond Registrar and  
20 Bond Paying Agent shall be determined by Executive Order of the County Executive. Payment  
21 of interest on the bonds shall be made by the Paying Agent on each payment date, to each person  
22 appearing on the registration books of the County, maintained by the Bond Registrar, as the  
23 registered owner thereof, by check or draft mailed to each such registered owner at his or her  
24 address as it appears on such registration books. There shall be printed on each bond the text of



1 the approving legal opinion of bond counsel with respect to the bonds. Except as provided  
2 hereinafter or in an Executive Order of the County Executive prior to the issuance of the bonds,  
3 if the indebtedness authorized herein is represented by bonds, the bonds shall be in substantially  
4 the following form, which form, together with all covenants and conditions therein contained, is  
5 hereby adopted by the County Council of Harford County, Maryland as and for the form of  
6 obligation to be incurred by the County, and said covenants and conditions, including the  
7 promise to pay therein contained, are hereby made binding upon the County, in accordance with  
8 the endorsement on said bonds:

1 UNITED STATES OF AMERICA

2 STATE OF MARYLAND

3 HARFORD COUNTY, MARYLAND

4 HARFORD COUNTY GENERAL OBLIGATION BONDS OF 2008

5 No.

No.

6 Registered Owner:

7 \$5,000

\$5,000

8 (Dated October 1, 2007)

9 HARFORD COUNTY, MARYLAND, a body politic and corporate, organized and  
10 existing under the Constitution and laws of the State of Maryland, hereby acknowledges itself  
11 indebted and, for value received, promises to pay to the registered owner or registered assignees  
12 of this bond, the principal sum of FIVE THOUSAND DOLLARS (\$5,000)

13 on \_\_\_\_\_,

14 upon presentation and surrender of this bond and to pay interest thereon, from the date of this  
15 bond at the rate of \_\_\_\_\_ percent (\_\_\_\_%) per annum until payment of said principal sum, such  
16 interest to the maturity hereof being payable on April 1, 2008, and semiannually thereafter on the  
17 first days of October and April and in each year by check or draft of the Paying Agent  
18 (hereinafter described) mailed to the registered owners of record as interest becomes due and  
19 payable.

20 Both the principal of and interest on this bond will be paid in lawful money of the United  
21 States of America, at the time of payment, at the principal office of \_\_\_\_\_,  
22 Baltimore, Maryland ("Paying Agent").

23 This bond shall be registered in the name of the owner on the registration books kept for  
24 that purpose at the principal office of \_\_\_\_\_ ("Bond Registrar"), and such

1 registration shall be noted on the back of this bond, after which no transfer hereof shall be valid  
 2 unless made on the said registration books by the registered owner hereof in person or by his duly  
 3 authorized attorney, and similarly noted on this bond. The County, Bond Registrar and Paying  
 4 Agent may deem and treat the person in whose name this bond is registered as the absolute  
 5 owner hereof for all purposes. This bond, upon surrender hereof at the principal office of the  
 6 Bond Registrar with a written instrument of transfer satisfactory to the Bond Registrar, duly  
 7 executed by the registered owner hereof, or his (her) duly authorized attorney, may, at the option  
 8 of the registered owner hereof, be exchanged for an equal aggregate principal amount of bonds of  
 9 authorized denominations and of the same form and tenor as this bond. For every such exchange  
 10 or transfer of bonds, the County or the Bond Registrar shall make a charge for any tax or other  
 11 governmental charge required to be paid with respect to such exchange or transfer. Such charge  
 12 shall be paid by the registered owner requesting such exchange or transfer as a condition  
 13 precedent to the exercise of such privilege. The Bond Registrar shall not be obligated to make  
 14 any such exchange or transfer of bonds during the fifteen (15) days next preceding an interest  
 15 payment date on the bonds, or in case of any proposed redemption of bonds, during the fifteen  
 16 (15) days next preceding the date of the publication of notice of such redemption, and unless  
 17 changed by the Resolution, the record date for payment of principal and interest shall be  
 18 August 31 and February 2830 in each year. The Bond Registrar shall not be required to make  
 19 any transfer or exchange of any bonds called for redemption.

20 This bond is one of a duly authorized issue or series of bonds aggregating ~~One Hundred~~  
 21 ~~Forty-Four Million Sixty Thousand Dollars (\$144,060,000)~~ in principal amount, which are of the  
 22 ~~denomination of Five Thousand Dollars (\$5,000) or integral multiples thereof. These bonds~~  
 23 ~~mature serially in installments on the first day of October in each of the years 2008 to 2027,~~  
 24 ~~inclusive, as follows: Four Million Two Hundred Thousand Dollars (\$4,200,000) in the years~~

2008 and 2009, respectively; ~~Nine Million Two Hundred Thousand Dollars (\$9,200,000) in each~~  
of the years 2010 through 2019, inclusive; ~~Five Million Ninety Thousand Dollars (\$5,090,000) in~~  
2020; and ~~Five Million Five Hundred Ten Thousand Dollars (\$5,510,000) in each of the years~~  
2021 through 2027 One Hundred Three Million Seven Hundred Fifteen Thousand Dollars  
(\$103,715,000) in principal amount, which are of the denomination of Five Thousand Dollars  
(\$5,000) or integral multiples thereof. These bonds mature serially in installments on the first  
day of October in each of the years 2008 to 2027, inclusive, as follows: Five Million Dollars  
(\$5,000,000) in each of the years 2008 through 2026, inclusive; and Eight Million Seven  
Hundred Fifteen Thousand Dollars (\$8,715,000) in the year 2027, inclusive. These bonds are  
numbered from one (1) consecutively upwards in the order of their maturities, are of like tenor  
except as to maturity, number and interest rate, are issued pursuant to and in full conformity with  
the provisions of the Charter of Harford County, as amended, and by virtue of due proceedings  
had and taken by the County Council of Harford County, Maryland particularly a Bill enacted on  
\_\_\_\_\_, 2007, entitled Bill No. 07-\_\_ on \_\_\_\_\_ and a Resolution adopted on  
\_\_\_\_\_.

The full faith and credit and unlimited taxing power of Harford County, Maryland, is  
pledged to the punctual payment of the principal of and interest on this bond according to its  
terms, and said County covenants and agrees punctually to pay the principal of this bond and the  
interest thereon, at the dates and in the manner mentioned herein.

The bonds of the issue which mature before \_\_\_\_\_, are not subject to  
redemption prior to their maturities. The bonds which mature on or after \_\_\_\_\_, shall  
be subject to redemption as a whole at any time or in part on any interest payment date, and in  
any order of maturity, at the option of the County on \_\_\_\_\_, or on any redemption date  
thereafter upon notice of call for redemption given to the registered owner thereof as shown on

1 the books of the Bond Registrar, or by publication at least thirty (30) days prior to the date of  
2 redemption in a newspaper published and circulating in Harford County and in the City of  
3 Baltimore, Maryland, and also in a financial newspaper published and circulating in the City of  
4 New York, New York, at a redemption price, expressed as a percentage of the principal amount  
5 of the bonds to be redeemed, set forth in the table below, together with interest accrued to the  
6 date fixed for redemption.

**BILL NO. 07-16**  
**As Amended**

Date of Redemption

Optional Redemption Price

If less than all of the bonds of any one maturity shall be called for redemption, the particular bonds to be redeemed shall be selected by lot by \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, Paying Agent.

No covenant or agreement contained in this bond shall be deemed to be a covenant or agreement of any officer, agent or employee of the County in his or her individual capacity and neither the members of the County Council of Harford County, Maryland nor any official executing this bond shall be liable personally on this bond or be subject to any personal liability or accountability by reason of the issuance of this bond.

It is hereby certified and recited that each and every act, condition and thing required to exist, to be done, to have happened and to be performed precedent to and in the issuance of this bond, does exist, has been done, has happened and has been performed in full and strict compliance with the Constitution and laws of the State of Maryland, the Charter and Code of Harford County and the Bill and Resolution above referred to, and that the issue of bonds of which this is one, together with all other indebtedness of Harford County, is within every debt and other limit prescribed by the Constitution and laws of said State and the Charter and Code of Harford County, and that due provision has been made for the levy and collection, if and when necessary, of an annual *ad valorem* tax or taxes upon all the legally assessable property within the corporate limits of Harford County, Maryland, as prescribed by law, in rate and amount sufficient to provide for the payment, when due, of the interest on and the principal of this bond.

IN WITNESS WHEREOF Harford County, Maryland, has caused this bond to be executed in its name by the facsimile signature of the County Executive, which signature has

1 been imprinted thereon, and has also caused a facsimile of its corporate seal to be imprinted  
2 hereon, attested by the facsimile signature of the Director of Administration, and the manual  
3 signature of an authorized officer of the Bond Registrar, all as of the \_\_\_\_\_ day of \_\_\_\_\_,  
4 2007.

5 ATTEST:

HARFORD COUNTY, MARYLAND

6  
7  
8  
9  
10 \_\_\_\_\_  
11 Director of Administration

By: \_\_\_\_\_  
County Executive

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the registered bonds of Harford County, Maryland General Obligation Bonds of 2008.

\_\_\_\_\_  
Authorized Officer

(Form of Registration)

(No writing hereon except by an officer of \_\_\_\_\_, Baltimore, Maryland, Bond Registrar.)

Date of Registry

Name of Registered Holder

Registered By

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



PAYMENT GRID

PAYMENT GRID				
	Date of Payment	Principal Amount Paid	Principal Amount Outstanding	Holder Signature
1				
2				
3				
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12				
13				
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32				

**ASSIGNMENT**

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_  
(please insert name and address of the assignee)

\_\_\_\_\_  
(Tax Identification or Social Security No. \_\_\_\_\_)

the within bond, and hereby irrevocably constitutes and appoints

\_\_\_\_\_  
attorney to transfer the within bond on the books kept for registration thereof, with full power of  
substitution in the premises.

Date:

Signature guaranteed: \_\_\_\_\_

\_\_\_\_\_  
NOTICE: Signature must be  
guaranteed by a member firm of the  
New York Stock Exchange or a  
commercial bank or trust company

\_\_\_\_\_  
NOTICE: The signature on this  
Assignment must correspond with  
the name of the registered owner  
as it appears on the face of the within bond  
in every particular, without alteration or  
enlargement or any change whatever.

1       SECTION 12. Be it further enacted by the County Council of Harford County, Maryland  
2       that if the indebtedness herein authorized is represented by bonds, the bonds shall be sold by bids  
3       in sealed proposals and/or electronic bid form as determined in the Resolution to the bidder  
4       therefor for cash whose bid is deemed to be for the best interest of Harford County, Maryland,  
5       after giving at least ten (10) days' public notice by advertisement inserted twice in one or more  
6       daily or weekly newspapers having a general circulation in the County, said sale to be held not  
7       sooner than ten (10) days following the first insertion of said advertisement. Said advertisement  
8       or a summary thereof shall also be published in "The Bond Buyer", a financial journal published  
9       in the City of New York and in electronic form. The Award of the Bonds, if made, shall be  
10      approved by resolution of the County Council of Harford County, Maryland after written  
11      recommendation of the County Executive, to the bidder offering the lowest interest cost  
12      determined in accordance with the true interest cost method (TIC). The sale of the bonds, unless  
13      changed by Executive Order of the County Executive, shall be held on September 26, 2007 at the  
14      office of the Treasurer of Harford County, Maryland, located at 220 South Main Street, Bel Air,  
15      Maryland, at 10:00 o'clock A.M., E.S.T. or E.D.T. (whichever time may then be in effect), or on  
16      such other date and at such other time and location as may be provided by Executive Order of the  
17      County Executive.

18      SECTION 13. Be it further enacted by the County Council of Harford County, Maryland  
19      that the official Notice of Sale shall be in substantially the form hereinafter set forth and the  
20      terms, provisions and conditions set forth in said form of Notice of Sale are hereby adopted and  
21      approved as the terms, provisions and conditions under which and the manner in which the bonds  
22      shall be sold, issued and delivered at public sale. The official Notice of Sale, upon resolution of  
23      the County Council of Harford County, Maryland, may be consolidated with the Official Notice  
24      of Sale for other bonds to be sold by the County at the same time. The official Notice of Sale

1 may be published in summary form in The Bond Buyer and in other financial publications  
2 approved by the County Executive and/or in electronic form. The official Notice of Sale for the  
3 bonds shall be in substantially the following form (unless changed by Executive Order of the  
4 County Executive adopted prior to the sale of the bonds):

**NOTICE OF SALE**

~~\$144,060,000~~ \$103,715,000  
**HARFORD COUNTY, MARYLAND**  
**GENERAL OBLIGATION BONDS**  
Series 2008  
(Book-Entry Only)

**NOTICE IS HEREBY GIVEN** that electronic (as explained below) bids will be received by the Treasurer, Harford County, Maryland (the "County") at the offices of the Treasurer of Harford County, Maryland until 10:00 a.m. local Baltimore, Maryland time on September 26, 2007 for the purchase of all (but not less than all) of the County's ~~\$144,060,000~~ \$103,715,000 Harford County, Maryland General Obligation Bonds, Series 2008 (the "Bonds"). The bids will be received up to the time (unless postponed as described herein) and in the manner described below:

**DATE AND TIME**

Wednesday, September 26, 2007, 10:00 a.m. Eastern Daylight Time (EDT). For the purposes of both the sealed bid and the electronic bid, the time maintained by DALCOMP/PARITY shall constitute the official time.

**FOR ELECTRONIC BIDS**

Submit electronically via PARITY in accordance with its Rules of Participation and this Notice of Sale until 10:00 a.m., EDT, but no bid will be received after the time for receiving bids specified above. Provisions in this Notice of Sale conflicting with those PARITY Rules of Participation shall control. In the event of a malfunction in the electronic bidding process, the bid time and/or date may be postponed at the option of the County. For further information about PARITY, potential bidders may contact:

who is acting as financial advisor to the County, or

**PARITY**  
40 West 23<sup>rd</sup> Street, 5<sup>th</sup> Floor  
New York, New York 10014  
Telephone: 212-404-8102

Any prospective bidder must submit its electronic bid through the facilities of PARITY, in accordance with the Rules of Participation and any other requirements of PARITY.

**BILL NO. 07-16**  
**As Amended**

1 Prospective bidders must be contract customers of BIDCOMP in order to submit an  
2 electronic bid.

3  
4 An electronic bid made through the facilities of PARITY shall be deemed an offer, in  
5 response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed,  
6 sealed bid delivered to the County. The County shall not be responsible for any malfunction or  
7 mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities  
8 being the sole risk of the prospective bidder.

9  
10 Neither the County nor PARITY shall have any duty or obligation to provide or assure  
11 access to PARITY to any prospective bidder. The County is using PARITY as a communication  
12 mechanism, and not as the County's agent to conduct the electronic bidding for the Bonds. The  
13 County is not bound by any advice and determination of PARITY to the effect that any particular  
14 bid complies with the terms of this Notice of Sale. All costs and expenses incurred by  
15 prospective bidders in connection with their submission of bids via PARITY are the sole  
16 responsibility of the bidders; and the County is not responsible, directly or indirectly, for any  
17 such costs or expenses. If a prospective bidder encounters any difficulty in submitting,  
18 modifying, or withdrawing a bid for the Bonds, he (she) should telephone PARITY (212-404-  
19 8102) and notify the County's Bond Counsel, Miles & Stockbridge P.C. Attention: John A.  
20 Stalfort, by facsimile at (410) 385-3700.

21  
22 Electronic bids must be submitted for the purchase of the Bonds via PARITY. Bids will  
23 be communicated electronically to the County at 10 a.m. (EST) on September 26, 2007. Prior to  
24 that time, a prospective bidder may (1) submit the proposed terms of its bid, (2) modify the  
25 proposed terms of its bid, in which event the proposed terms as last modified will (unless the bid  
26 is withdrawn as described herein) constitute its bid for the Bonds or (3) withdraw its proposed  
27 bid for the Bonds. Once the bids are communicated electronically via PARITY to the County,  
28 each bid will constitute an irrevocable offer to purchase the Bonds bid for on the terms therein  
29 provided.

30  
31 **List of Members of Account**

32  
33 The facilities of PARITY currently do not allow the bidders to list the names of the  
34 members of the account on whose behalf the bid is made. Bidders who are submitting an  
35 electronic bid are requested to telecopy the names of the members of the account on whose  
36 behalf the bid is made to the County c/o Miles & Stockbridge P.C. (410) 385-3700. Attention:  
37 John A. Stalfort.  
38

**Right to Modify or Amend Notice of Sale; Right to Postpone Sale**

The County reserves the right to modify or amend this Notice of Sale, including changing the scheduled maturities or increasing or reducing the aggregate principal amount of Bonds and the principal amount of any maturity offered for sale, prior to the bid date. If any modifications occur, supplemental information with respect to the Bonds will be communicated via TM3 News Service (www.tm3.com) not later than 5:00 p.m., Baltimore, Maryland time, on the day preceding the last day on which proposals may be submitted, and bidders shall bid upon the Bonds based upon the terms thereof set forth in this Notice of Sale, as so modified by such supplemental information.

In addition, the County reserves the right to postpone the date established for the receipt of bids. In the event of a postponement, the new date and time of sale and any revised date of expected delivery will be announced via TM3 News Service not later than 9:00 a.m., Baltimore, Maryland time, on the day on which proposals may be submitted. On any such alternative sale date, bidders may submit sealed bids for the purchase of the Bonds in conformity with the provisions of this Notice of Sale, except for the changed date and time of sale and any revised date of delivery.

**Bid Parameters**

No bid of less than 100% of par plus accrued interest from ~~February 1, 2008~~ October 1, 2007 to the date of delivery of the Bonds, no oral bid and no bid for less than all of the Bonds described in this Notice of Sale, will be considered. The Bonds are expected to be awarded at approximately 3:00 p.m. prevailing Eastern Time on September 26, 2007. All proposals shall remain firm until the time of award. No interest rate may be bid that is lower than the interest rate in the immediately preceding year.

**Authorization**

The Bonds will be issued by the County pursuant to Bill No. 07-\_\_ adopted by the County Council of the County on \_\_\_\_\_, 2007, effective \_\_\_\_\_, 2007 (the "Authorized Legislation") and Resolution No. \_\_\_\_ - \_\_\_\_ adopted on \_\_\_\_\_, \_\_\_\_\_. The proceeds of the Bonds will be used primarily to finance the costs of the acquisition, renovation or new construction and equipping of certain capital projects described in the Authorized Legislation.

The Bonds, and payment of the principal and interest thereon, will be the unconditional general obligation of the County and will constitute an irrevocable pledge of the full faith and credit and unlimited taxing power of the County.

**Procedures for Sale**

As promptly as reasonably practicable after the bids are opened, the County will notify the bidder to whom the Bonds will be awarded, if and when such award is made, and such bidder, upon such notice, shall advise the County of the initial reoffering prices to the public of each maturity of the Bonds (the "Initial Reoffering Prices"). The successful bidder shall pay the

Aggregate Principal Amount of the Bonds plus the premium, plus accrued interest to the date of delivery. ALL BIDS SHALL REMAIN FIRM UNTIL 3:00 P.M. LOCAL BALTIMORE, MARYLAND TIME ON THE DATE OF SALE. An award of the Bonds pursuant to this Notice of Sale, if made, will be made by resolution of the County Council of Harford County, Maryland at or before 3:00 p.m. local Baltimore, Maryland time on the date of sale.

**Price and Interest Rate Bid**

Each bidder shall submit one bid, not less than par, on an "all-or-none" basis. Each bid must specify the rate or rates of interest to be paid on the Bonds, in multiples of one-eighth (1/8) or one-twentieth (1/20) of one percent (1%). Bidders may specify more than one rate of interest to be borne by the Bonds, but all Bonds maturing on the same date must bear interest at the same rate; and the difference between the maximum and minimum interest rates specified may not exceed three percent (3%). A zero rate cannot be named for any maturity.

**Bid Check or Surety Bond**

Bids must be accompanied by a good faith deposit of a certified check upon, or a cashier's or treasurer's check of a responsible banking institution, payable to Harford County, Maryland for \$2,000,000, such payment to be security for compliance with the terms of the sale. No interest will be allowed on any such security payment. The check of the successful bidder will be collected and the proceeds thereof retained by the County to be applied in part payment for the Bonds, and no interest will be allowed upon the amount thereof. IN THE EVENT THAT THE SUCCESSFUL BIDDER SHALL FAIL TO COMPLY WITH THE TERMS OF THE BID, THE PROCEEDS OF SUCH CHECK WILL BE RETAINED AS AND FOR FULL LIQUIDATED DAMAGES. THE CHECKS OF THE UNSUCCESSFUL BIDDERS WILL BE RETURNED PROMPTLY AFTER THE BONDS ARE AWARDED.

In lieu of submitting a check, a bidder may submit a financial surety bond from an insurance company satisfactory to the County licensed to issue such bond in the State of Maryland, and such bond must be submitted to the Treasurer, Harford County, Maryland, c/o Miles & Stockbridge P.C., 10 Light Street, Baltimore, Maryland 21202-1487 prior to 10:00 a.m., E.S.T. on the date of sale. The financial surety bond must identify each bidder whose good faith deposit is guaranteed by such financial surety bond. If the bonds are awarded to a bidder utilizing a financial surety bond, then the successful bidder is required to submit its good faith deposit to the Treasurer of the County in one of the forms described in the preceding paragraphs not later than 3:30 p.m., E.S.T. on the next business day following the award. If such good faith deposit is not received by that time, the financial surety bond may be drawn by the County to satisfy the good faith deposit requirement.

**Award of Bonds and Public Offering**

The County will not consider and will reject any bid for the purchase of less than all of the Bonds. THE RIGHT IS RESERVED TO REJECT ANY AND ALL BIDS. The award, if made, will be made as promptly as possible after the bids are opened to the bidder offering the lowest interest rate to the County. The lowest interest rate shall be determined in accordance with the true interest cost (TIC) method doubling the semiannual interest rate (compounded



1 semiannually) necessary to discount the debt service payments from the payment dates to the date  
2 of the Bonds and to the price bid, excluding interest accrued to the date of delivery; provided,  
3 however, that if two or more bidders have made bids, each of which represents the lowest true  
4 interest cost to the County, then the Bonds shall be awarded to the bidder offering the highest  
5 premium and, if the highest premium is offered by two or more such bidders or if no premium is  
6 bid by any such bidders, then the Bonds may be awarded, with their consent, in a ratable portion  
7 among such bidders, or the County, in its discretion, may award all of the Bonds to one bidder.  
8 The judgment of the County shall be final and binding upon all bidders with respect to the form  
9 and adequacy of any bid received and as to its conformity to the terms of this Notice of Sale.  
10 THE SUCCESSFUL BIDDER SHALL MAKE A BONA FIDE PUBLIC OFFERING OF THE  
11 BONDS AT THE INITIAL REOFFERING PRICES AND SHALL PROVIDE THE RELATED  
12 CERTIFICATION DESCRIBED UNDER "CLOSING DOCUMENTS" BELOW.

### 13 14 Legal Opinion

15  
16 The issuance of the Bonds will be subject to delivery of the approving opinion of Miles &  
17 Stockbridge P.C., Baltimore, Maryland, which opinion shall be substantially in the form set forth  
18 as an exhibit to the Preliminary Official Statement referred to below. The opinion will be  
19 delivered upon request, without charge, to the successful bidder for the Bonds.

### 20 21 Official Statement

22  
23 Not later than seven (7) business days after the award of the Bonds to the successful  
24 bidder on the day of sale, the County will deliver to the successful bidder an Official Statement,  
25 which is expected to be substantially in the form of the Preliminary Official Statement referred to  
26 below. If so requested by the purchaser or purchasers at or before the close of business on the  
27 date of the sale, the County will include in the Official Statement such pricing and other  
28 information with respect to the terms of the reoffering of the Bonds by the successful bidder  
29 ("Reoffering Information"), if any, as may be specified and furnished in writing by such bidder.  
30 If no Reoffering Information is specified and furnished by the successful bidder, the Official  
31 Statement will include the interest rates on the Bonds resulting from the bid of the successful  
32 bidder and the other statements with respect to reoffering contained in the Preliminary Official  
33 Statement. The successful bidder shall be responsible to the County and its officials for the  
34 Reoffering Information, and for all decisions made by such bidder with respect to the use or  
35 omission of the Reoffering Information in any reoffering of the Bonds, including the presentation  
36 or exclusion of any Reoffering Information in any documents, including the Official Statement.  
37 The successful bidder will also be furnished, without cost, with up to 500 copies of the Official  
38 Statement and any amendments or supplements thereto.

39  
40 The Preliminary Official Statement of the County concerning the Bonds (the "Preliminary  
41 Official Statement") is in a form "deemed final" by the County for purposes of SEC Rule 15c2-  
42 12(b)(1) (the "Rule") but is subject to revision, amendment and completion in the final Official  
43 Statement.

44  
45 The County will undertake to provide the successful bidder with further additional  
46 information to be included in such Official Statement, when in the opinion of the County or of  
47 Bond Counsel, such additional information constitutes a material change to such Official

Statement. The County will take such steps as are necessary to arrange for amending and supplementing the Official Statement in connection with the disclosure of such additional information; provided, however, that the County shall have no obligation to provide such additional information after the date which is twenty-five (25) days after the "end of the underwriting period", as such term is defined in the Rule.

The County agrees, in order to assist bidders in complying with S.E.C. Rule 15c2-12(b)(5), pursuant to a continuing disclosure certificate (the "Continuing Disclosure Certificate") signed by the County Executive, Treasurer and Director of Administration, to provide annual reports and notices of certain events. The undertaking of the County in the Continuing Disclosure Certificate shall be set forth in any Preliminary Official Statement and Official Statement and any amendment or supplement thereto.

BIDDERS, BY SUBMITTING THEIR BIDS, AGREE TO PROVIDE THE COUNTY, SIMULTANEOUSLY WITH OR BEFORE DELIVERY OF THE BONDS, A CERTIFICATE ACCEPTABLE TO BOND COUNSEL TO THE COUNTY STATING (i) THE INITIAL REOFFERING PRICES, EXPRESSED AS A PERCENTAGE OF PAR, TO THE PUBLIC OF EACH MATURITY OF THE BONDS (THE "REOFFERING PRICES"), (ii) THAT THE SUCCESSFUL BIDDER HAS MADE A BONA FIDE PUBLIC OFFERING OF THE BONDS AT THE INITIAL REOFFERING PRICES; AND (iii) THAT A SUBSTANTIAL AMOUNT OF THE BONDS WAS SOLD TO THE PUBLIC (EXCLUDING BOND HOUSES, BROKERS AND OTHER INTERMEDIARIES) AT SUCH INITIAL REOFFERING PRICES. Bond counsel advises that (i) such certificate must be made on the best knowledge, information and belief of the successful bidder, (ii) the sale to the public of 10% or more in part amount of the Bonds of each maturity at or below the Initial Reoffering Prices would be sufficient to certify as to the sale of a substantial amount of the Bonds, and (iii) reliance on other acts as a basis for such certification would require evaluation by Bond Counsel to assure compliance with the statutory requirements to avoid the establishment of an artificial price for the Bonds.

### **Book-Entry Only Form**

The Bonds will be issued in book-entry-only form, registered in the name of Cede & Co., as partnership nominee of The Depository Trust Company, New York, New York ("DTC") and immobilized in its custody. Principal of and interest on the Bonds will be payable to DTC or its nominee as registered owners of the Bonds. Information concerning DTC and its book-entry system is included in the Preliminary Official Statement concerning the Bonds dated \_\_\_\_\_, 2008 2007 (the "Preliminary Official Statement") and bidders should rely solely on that material.

### **Interest Payment Dates**

The Bonds will be dated October 1, 2007 and will bear interest from that date payable on \_\_\_\_\_, \_\_\_\_\_ and semiannually thereafter on each \_\_\_\_\_ and \_\_\_\_\_ until maturity or redemption.

**Maturity Schedule**

The Bonds will mature on October 1 in each of the years 2008 through 2027 inclusive, as follows (the "Maturity Schedule"):

<u>Years of</u> <u>Maturity</u>	<u>Annual</u> <u>Amounts</u> <u>Maturity</u>	<u>Years of</u> <u>Maturity</u>	<u>Annual</u> <u>Amounts</u> <u>Maturity</u>
2008	\$4,200,000	2018	\$9,200,000
2009	\$4,200,000	2019	\$9,200,000
2010	\$9,200,000	2020	\$5,090,000
2011	\$9,200,000	2021	\$5,510,000
2012	\$9,200,000	2022	\$5,510,000
2013	\$9,200,000	2023	\$5,510,000
2014	\$9,200,000	2024	\$5,510,000
2015	\$9,200,000	2025	\$5,510,000
2016	\$9,200,000	2026	\$5,510,000
2017	\$9,200,000	2027	\$5,510,000
2008	\$5,000,000	2018	\$5,000,000
2009	\$5,000,000	2019	\$5,000,000
2010	\$5,000,000	2020	\$5,000,000
2011	\$5,000,000	2021	\$5,000,000
2012	\$5,000,000	2022	\$5,000,000
2013	\$5,000,000	2023	\$5,000,000
2014	\$5,000,000	2024	\$5,000,000
2015	\$5,000,000	2025	\$5,000,000
2016	\$5,000,000	2026	\$5,000,000
2017	\$5,000,000	2027	\$8,715,000

**Optional Redemption**

Bonds which mature on or before \_\_\_\_\_ are not subject to redemption prior to maturity. On and after \_\_\_\_\_, the Bonds with a stated maturity on or after \_\_\_\_\_ are subject to redemption at the option of the County in whole at any time or in part on any Interest Payment Date. Such redemption shall be at the following redemption prices (expressed as a percentage of the principal amount of such Bonds), plus accrued and unpaid interest to the date fixed for redemption:

<u>Redemption Period</u>	<u>Redemption Price</u>
	_____ %
	_____ %
	_____ %

**Delivery**

Delivery of the Bonds is expected to occur through the facilities of DTC in New York, New York on or about October 9, 2007. The successful bidder shall pay for the Bonds on the date of delivery in Baltimore, Maryland in **IMMEDIATELY AVAILABLE FEDERAL FUNDS BY 10:00 a.m., EDT**, on the closing date. Any expenses of providing immediately available funds shall be borne by the successful bidder. Payment on the delivery date shall be made in an amount equal to the price bid for the Bonds plus accrued interest from October 1, 2007, less the amount of the Good Faith Deposit.

#### **CUSIP Numbers**

It is anticipated that CUSIP numbers will be printed on the Bonds, but the County will assume no obligation for the assignment or printing of such numbers on the Bonds or for the correctness of such numbers, and neither the failure to print such numbers on the Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the successful bidder of the Bonds to accept delivery or and make payment for the Bonds.

#### **Closing Documents**

The Bonds will be accompanied by the customary closing documents, including a no-litigation certificate, effective as of the date of delivery, stating that there is no litigation pending against the County affecting the validity of the Bonds and a Tax and No Arbitrage Certificate signed by the County Treasurer.

It shall be a condition to the obligation of the successful bidder to accept delivery of and pay for the Bonds that, simultaneously with or before delivery and payment for the Bonds, such successful bidder shall be furnished a certificate or certificates of the County Executive and Treasurer to the effect that to the best of their knowledge and belief, the Official Statement (and any amendment or supplement thereto) (except for the Reoffering Information, as to which no view will be expressed) as of the date of sale and as of the date of delivery of the Bonds does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading and that between the date of sale and the date of delivery of the Bonds there has been no material adverse change in the financial position or revenues of the County, except as reflected or contemplated in the Official Statement.

In the event that all or any part of the Bonds are initially reoffered with bond insurance secured by the successful bidder, the successful bidder shall be required to notify immediately the Treasurer of the County at the time of sale of such event and shall provide the Treasurer of the County with any information he reasonably requests regarding such bond insurance, including the amounts paid for such insurance and interest rates that the bonds would have borne should the bid have occurred without bond insurance. The County will, at the request and expense of the successful bidder, include customary language in the Official Statement and the form of bond regarding the insurance policy upon receipt of such opinions or certificates as the County reasonably may request regarding the accuracy of any information to be included in the Official Statement and the binding nature of the obligations contained in the insurance policy with respect to the Bonds. The County shall have no obligation to provide the successful bidder or the bond insurance company with any other documents or opinions relating to the Bonds.

**BILL NO. 07-16**  
**As Amended**

The Preliminary Official Statement, a full financial statement concerning the County, the required form of proposal, and other data in reference thereto as may be desired will be supplied to prospective bidders upon request made to John R. Scotten, Jr., Treasurer, 220 South Main Street, Bel Air, Maryland 21014 (410-638-3316) or from the County's Financial Advisor,

\_\_\_\_\_, Attention:  
\_\_\_\_\_, Telephone: \_\_\_\_\_.

Date:

HARFORD COUNTY, MARYLAND

By: \_\_\_\_\_  
David R. Craig  
County Executive

SECTION 14. Be it further enacted by the County Council of Harford County, Maryland that upon request of the County Executive, the County Council of Harford County, Maryland may, at any time, prior to the sale of the bonds, by administrative resolution(s), determine whether the bonds may be sold above or below par, whether bids may be accepted electronically or by facsimile, change the projects to be constructed with the proceeds of sale of the bonds and the County Executive, by Executive Order may determine or change the Notice of Sale, date of sale, the date or location of bid opening, the dates of maturity or redemption of the bonds, the amount of the bonds to be sold (but not in excess of ~~One Hundred Forty Four Million Sixty Thousand Dollars (\$144,060,000)~~ One Hundred Three Million Seven Hundred Fifteen Thousand Dollars (\$103,715,000) and the amounts of bonds maturing in each year, the interest payment dates of the bonds, appoint paying agent(s) and/or registrar(s) for the bonds, whether ownership of the bonds or other indebtedness shall be maintained in book entry form, and the terms of sale of the bonds.

SECTION 15. Be it further enacted by the County Council of Harford County, Maryland that immediately after the sale of the bonds, and upon written recommendation of the County Executive the interest rate or rates payable thereon shall be fixed by a resolution of the County Council of Harford County, Maryland in accordance with the terms and conditions of the sale of the bonds. The bonds shall thereupon be suitably printed or engraved and duly executed and delivered to the purchaser (or to the Depository Trust Company if the bonds are book entry) in accordance with the conditions of delivery set forth in the foregoing Notice of Sale. The proceeds of the sale of the bonds, including any premium and accrued interest received therefor, shall be paid to the Department of the Treasury of Harford County and shall be deposited in a special account of the County. The County may, at its option, deduct from the gross proceeds received from the sale of the bonds the cost of issuing the same, including the cost of advertising,

printing and professional fees (including legal) and expenses. There shall be deducted from the total gross proceeds received from the sale of the bonds the amount received on account of accrued interest on the bonds, which amount shall be set apart by the Treasurer of Harford County in a special fund and applied to the first maturing interest payment on the bonds. The balance of the proceeds of the sale of the bonds shall be expended only to finance the Projects as set forth in this Bill and as more particularly described in the Annual Budget and Appropriation Ordinance of the County, as amended, for the year ending June 30, 2008. If the funds derived from the sale of the bonds shall exceed the amount needed to finance said Projects, the excess funds so borrowed and not expended by the County shall be applied by the County in payment of the next principal maturity of the bonds so issued, unless the County Council of Harford County, Maryland shall adopt a resolution or ordinance allocating said excess funds to finance any lawful modification of such Projects, or to the extent then permitted by law, any other project lawfully undertaken by the County, as may be provided by subsequent resolution or ordinance approved by the County Council of Harford County, Maryland.

SECTION 16. Be it further enacted by the County Council of Harford County, Maryland that, to the extent the recordation and transfer taxes described in Section 2 of this Bill are insufficient to pay the principal of and interest on the Bonds, for the purpose of paying the interest on, premium, (if any) and principal of the bonds or other indebtedness authorized by this Bill, there is hereby levied and there shall hereafter be levied in each fiscal year that any of the bonds or other indebtedness are outstanding, *ad valorem* taxes on real and tangible personal property and intangible property subject to taxation by the County without limitation on rate or amount; and, in addition, upon such other intangible property as may be subject to taxation by the County within limitations prescribed by law, in an amount sufficient together with funds available from other sources, to pay the annual interest on the outstanding bonds or other

indebtedness and to redeem the bonds or other indebtedness maturing during the succeeding year; and the full faith and credit and the unlimited taxing power of the County are hereby irrevocably pledged to the punctual payment of the principal of and interest on the bonds or other indebtedness as and when they mature. The County by the passage of this Bill hereby covenants and agrees properly and promptly to perform all of the respective acts and duties defined in this Bill for the levy and collection of the aforesaid *ad valorem* tax upon all the assessable property within the corporate limits of the County, as the levy and collection of such a tax becomes necessary in order to meet the debt service requirements of Harford County General Obligation Bonds of 2008. By this Bill, the County agrees to take all action it may be legally authorized and empowered to take in order to enforce, in any year in which any of the bonds or other indebtedness are outstanding, the guarantee of such bonds or other indebtedness by the County.

SECTION 17. Be it further enacted by the County Council of Harford County, Maryland that the County is hereby authorized and empowered from time to time to issue its Bond Anticipation Note or Notes (or other form of indebtedness) on the full faith and credit and unlimited taxing power of the County in an amount not exceeding ~~One Hundred Forty Four Million Sixty Thousand Dollars (\$144,060,000)~~ One Hundred Three Million Seven Hundred Fifteen Thousand Dollars (\$103,715,000), the net proceeds of such sale to be used to finance part or all of the cost of the Projects; the sale of such Notes to be upon such terms as may be directed by resolution of the County Council of Harford County, Maryland.

Such Bond Anticipation Note or Notes or other evidence of indebtedness shall provide that not in excess of twelve (12) months interest from the date of issue shall be paid from the proceeds of bonds issued to retire the indebtedness insured pursuant to the Bond Anticipation Note.



1       The Treasurer of Harford County, Maryland, prior to the issuance of any such Bond  
2 Anticipation Note or Notes or other evidence of indebtedness of the County shall present the  
3 terms of such notes to the County Council of Harford County, Maryland for approval by  
4 Resolution of the County Council of Harford County, Maryland prior to the issuance of such  
5 Bond Anticipation Note or Notes.

6       The Bond Anticipation Note or Notes will bear interest at the rate or rates so negotiated  
7 by the Treasurer and approved by Resolution of the County Council of Harford County,  
8 Maryland and the Bond Anticipation Note or Notes when issued shall be issued in the name of  
9 the County by the signature of the County Executive, the corporate seal of the County shall be  
10 imprinted on such Bond Anticipation Note or Notes and such Bond Anticipation Note or Notes  
11 shall be used only for those purposes approved in a Resolution of the County Council of Harford  
12 County, Maryland adopted subsequent to the adoption of this Bill.

13       The Bond Anticipation Note or Notes shall not be issued in an amount greater than the  
14 amount of bonds or other indebtedness authorized in anticipation of the sale of which the Bond  
15 Anticipation Note or Notes are issued and sold.

16       The principal of and interest on the Bond Anticipation Note or Notes shall be payable out  
17 of the first proceeds of sale of the bonds, or from the tax or other revenue which the County shall  
18 previously determine to apply to the payment of the bonds and interest thereon.

19       Twelve (12) months interest on the Bond Anticipation Note or Notes or any renewal  
20 thereof may be paid from the proceeds of sale of the bonds accounting from the initial date of  
21 issue thereof.

22       By resolution adopted by the County Council of Harford County, Maryland, the County  
23 may provide for the renewal of the Bond Anticipation Note or Notes at maturity with or without  
24 resale.

1 Immediately after the sale of the Bond Anticipation Note or Notes and approval by  
2 resolution of the County Council of Harford County, Maryland, the proceeds of sale of such  
3 Bond Anticipation Note or Notes, after payment of expenses of issuing the same, shall be paid to  
4 the Department of the Treasury of Harford County, Maryland. The proceeds of sale of the Bond  
5 Anticipation Note or Notes shall be expended only to finance the Projects as defined above.

6 SECTION 18. Be it further enacted by the County Council of Harford County, Maryland  
7 that pursuant to Treasury Regulations 1.150-2, governing the use of bond proceeds for the  
8 purpose of reimbursing expenditures paid prior to the issuance of bonds, and as permitted by  
9 Treasury Regulations 1.150-2(e)(1), the Treasurer of Harford County, Maryland is hereby duly  
10 designated to make declarations of Official Intent on behalf of the County. The County expects  
11 that all or a part of the capital expenditures for the Projects will be paid prior to the issuance of  
12 the Bonds, and that the proceeds of the Bonds will be used to reimburse the County for capital  
13 expenditures paid prior to the issuance of the Bonds. The County reasonably expects to  
14 reimburse a portion of the capital expenditures for the Projects with proceeds of the Bonds, in the  
15 maximum principal amount of Fifty Million Dollars (\$50,000,000), and this Bill shall be  
16 available for public inspection at the offices of the County during regular business hours and in  
17 accordance with the laws of the State of Maryland and the County, regarding access to public  
18 records.

19 SECTION 19. Be it further enacted by the County Council of Harford County, Maryland  
20 that the County covenants and agrees with the registered owners, from time to time, of the Bonds  
21 as follows:

22 (a) The County covenants that it will not make any use of the proceeds of any of  
23 the Bonds or any moneys, securities or other obligations on deposit to the credit of the County or  
24 otherwise which may be deemed by the Internal Revenue Service to be proceeds of any of the

1 Bonds pursuant to the Internal Revenue Code of 1986, as amended, and Income Tax Regulations  
2 thereunder (collectively, the "Code"), which would cause any of the Bonds to be "arbitrage  
3 bonds" or "private activity bonds" within the meaning of the Code.

4 (b) The County further covenants that it will comply with those provisions of the  
5 Code which are applicable to the Bonds on the date of issuance of the Bonds and which may  
6 subsequently lawfully be made applicable to the Bonds. To the extent that provisions of the  
7 Code apply to only a portion of the Bonds, proceeds of the Bonds or other moneys, securities or  
8 other obligations deemed to be proceeds, it is intended that the covenants of the County  
9 contained in this Section 19 be construed so as to require the County to comply with the  
10 provisions of the Code only to the extent of such applicability.

11 (c) The County further covenants that it will not (i) take any action, (ii) fail to  
12 take any action, or (iii) make any use of the proceeds of any of the Bonds which would cause the  
13 interest on any of the Bonds to be or become subject to federal income taxes in the hands of the  
14 registered holders of any of the Bonds.

15 (d) The County further covenants, in order to assist bidders in complying with  
16 SEC Rule 15c2-12(b)(5), pursuant to a continuing disclosure agreement (the "Continuing  
17 Disclosure Agreement") signed by the County Executive, Treasurer and Director of  
18 Administration, to provide annual reports and notices of certain events. The undertaking of the  
19 County in the Continuing Disclosure Agreement shall be described in any Preliminary Official  
20 Statement and Official Statement and any amendment or supplement thereto.

21 SECTION 20. Be it further enacted by the County Council of Harford County, Maryland  
22 that upon recommendation of the County Executive, the County Council of Harford County,  
23 Maryland may adopt a resolution pursuant to Article 31, Section 2C of the Annotated Code of  
24 Maryland (2003 Replacement Volume; 2006 Supplement) authorizing the loan authorized to be

incurred and the bonds authorized to be sold by this Bill, to be consolidated for sale and issued, sold and delivered as a single issue of bonds with other bonds authorized to be sold to finance capital projects described in the Annual Budget and Appropriation Ordinances, as amended, for the current fiscal year and/or prior or subsequent fiscal years.

SECTION 21. Be it further enacted by the County Council of Harford County, Maryland that the provisions of this Bill are severable, and if any provision, sentence, clause, section or part hereof is held illegal, invalid or unconstitutional or inapplicable to any person or circumstances, such illegality, invalidity or unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Bill or their application to other persons or circumstances. It is hereby declared to be the legislative intent that this Bill would have been passed if such illegal, invalid or unconstitutional provision, sentence, clause, section or part had not been included herein, as if the person or circumstances to which this Bill or any part hereof are inapplicable had been specifically exempted therefrom.

SECTION 22. And be it further enacted by the County Council of Harford County, Maryland that this Bill shall take effect sixty (60) calendar days from the date it became law.

EFFECTIVE: September 17, 2007

The Council Administrator of the Council does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.

\_\_\_\_\_  
Council Administrator

**BILL NO. 07-16**  
**As Amended**

HARFORD COUNTY BILL NO. 07-16

Brief Title General Obligation Bond

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

**CERTIFIED TRUE AND CORRECT**

Barbara J. O'Connor  
Council Administrator

Date July 10, 2007

**ENROLLED**

R. Billy Boniface  
Council President

Date July 10, 2007

**BY THE COUNCIL**

Read the third time.

Passed: LSD 07-21

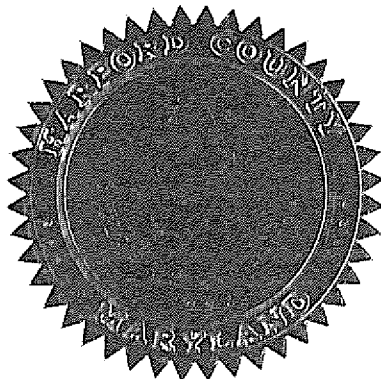
Failed of Passage: \_\_\_\_\_

By Order

Barbara J. O'Connor  
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 11<sup>th</sup> day of July, 2007 at 3:00 p.m.

Barbara J. O'Connor  
Council Administrator



**BY THE EXECUTIVE**

David R. Craig  
COUNTY EXECUTIVE

APPROVED: Date July 17, 2007

**BY THE COUNCIL**

This Bill No. 07-16 As Amended having been approved by the Executive and returned to the Council, becomes law on July 17, 2007.

EFFECTIVE DATE: September 17, 2007

Barbara J. O'Connor  
Barbara J. O'Connor,  
Council Administrator

**BILL NO. 07-16**  
**As Amended**